



P900 Special Postage Payment Systems

## P960 First-Class or Standard Mail Mailings With Different Payment Methods

**Summary** P960 describes basic provisions and exceptions, postage, documentation necessary, and production of the combined mailing.

### 1.0 BASIC PROVISIONS

**General** 1.1 After specific USPS authorization, a mailer may prepare separate First-Class Mail or Standard Mail letter-size automation rate mailings that each contain pieces paid with more than one of the three authorized methods of postage payment (permit imprint, meter stamp, or precanceled stamp) or that contain pieces having different rates of postage affixed or multiple ounces of First-Class permit imprint mail or nonidentical-weight permit imprint mail. For this standard, *mailer* or *presenter* is the entity preparing the combined mailing and presenting it to the USPS. All standards applying to each method of payment apply in a combined mailing, unless excepted below.

**Postage Payment** 1.2 Postage due the USPS for permit imprint mail and additional postage for postage-affixed pieces is paid through a specific advance deposit account kept exclusively for combined mailings.

**Value Added** 1.3 To request value added refunds of postage overpayments for the metered part of combined mailings, see [P014](#).

**Mailer Processing** 1.4 The mailer must have an automated mailing system that can be shown to correctly produce automation rate letter-size mailings under the applicable standards and accurately compute and document the postage due.

**Authorization Process** 1.5 To be authorized to prepare automation rate combined letter-size mailings, a mailer must submit a written request to the postmaster serving the mailer's production plant. This request must:

- a. Identify the postage payment methods to be combined, the rates of postage to be affixed to precanceled stamped or metered pieces, and, for First-Class Mail, the weight increments of pieces to be combined.
- b. Describe all steps in the automated mailing system to be used to prepare combined mailings. Include a flow chart showing how jobs are handled from the time received from clients or other departments through the time the combined mailing is presented to the post office for verification and acceptance.
- c. Include samples of all reports that the mailing system can generate. Number and annotate samples to describe step-by-step how the data are obtained and how each data element is supported and can be verified. Describe at which step in the mailing operation the reports may be generated, and how the reports relate to each other and to the preparation of postage statements.
- d. Describe how rejects are handled during mail preparation.
- e. Describe in detail internal quality control procedures that ensure that mailings are properly prepared, that postage statement and supporting data are accurate, and that correct postage is paid. Submit copies of quality control instructions and checklists used.



- On-Site Review**  
1.6 The USPS examines the mailer's operation as part of the application process. During the on-site review, the mailer must:
- Produce a controlled test mailing with supporting documentation.
  - Show that internal quality control procedures are satisfactorily administered.
  - Show that the mailing system provides acceptable documentation by which the USPS can verify postage statement data.
- Interim Authorization**  
1.7 If the mailer meets standards, the USPS grants a 90-day interim authorization to prepare combined mailings. During this time, USPS monitors the mailer's system to ensure continued compliance with all applicable standards.
- Final Authorization**  
1.8 After the 90-day authorization, if the mailer's program meets all applicable standards, BMS prepares a detailed authorization for the mailer to follow in preparing combined mailings. The authorization period does not exceed 2 years. The mailer must give advance written notice to BMS about plans to change the system used to prepare combined mailings.
- Denial**  
1.9 If an application is denied, the mailer may, within 15 days from receipt of the notice, file a written appeal, including additional evidence, with the Business Mail Acceptance manager, USPS Headquarters, who issues the final agency decision.
- USPS Review**  
1.10 A USPS review of the mailer's system is conducted before the expiration date:
- If the review shows no need for modifications to the agreement, it is renewed for a 2-year period.
  - If the review shows modifications to the system without prior notification to BMS, but the system still remains qualified, a new agreement must be reached that details the modifications.
  - If the review shows that the system can be renewed only with modifications required by the USPS, the mailer must be so informed and, if the mailer agrees, a new agreement is implemented under [1.7](#) and [1.8](#).
  - If the review shows that the mailer is not properly preparing combined mailings or does not agree to USPS modifications, steps must be taken to cancel the authorization.
- Suspension**  
1.11 The [BMS manager](#) may suspend a combined mailing system agreement at any time, pending investigation, if the manager finds that postage is not being fully paid or mail is not being prepared according to standards. The decision may be appealed to the [Business Mail Acceptance manager, USPS Headquarters](#), within 15 days of the suspension by submitting a written appeal with explanation. The suspension remains in effect during the appeal. A suspension is ended when the mailer comes into compliance.
- Cancellation by USPS**  
1.12 The USPS may cancel an authorization to prepare combined mailings at any time if the mailer:
- Provides misleading or incorrect data to avoid payment of postage.
  - Makes no combined mailings under the agreement during any consecutive 12-month period.
  - Fails to comply with applicable standards or the agreement, including required quality control procedures, and does not make changes to comply after USPS notification.



**Cancellation Procedure**  
1.13 If the USPS decides to cancel an authorization, cancellation becomes effective 15 days from the mailer's receipt of the notice, unless the mailer files a written appeal within that time with the [BMS manager](#). The appeal must show additional information on why the combined mailing authorization should not be canceled. If the manager denies the appeal, both the appeal and the additional information are sent to the [Business Mail Acceptance manager, USPS Headquarters](#), who issues the final agency decision.

**Cancellation by Mailer**  
1.14 The mailer may cancel an authorization to prepare combined mailings at any time by notifying the administering post office in writing.

## 2.0 POSTAGE

**Metered Pieces—First-Class Mail**  
2.1 Metered pieces in a combined mailing must bear postage for the first ounce at the Presorted rate or at an automation rate for which the pieces are eligible and, if applicable, the full amount of postage due for additional ounces. Additional postage due for metered pieces in a combined mailing is deducted from the mailer's postage due advance deposit account. Full postage at single-piece First-Class Mail rates must be paid on accompanying single-piece rate mail using one of the methods under [P100](#). Additional preparation to verify postage due may be required by the USPS.

**Metered Pieces—Standard Mail**  
2.2 Metered pieces in a combined mailing must bear postage at a Presorted or automation rate for which the pieces are eligible. Additional postage due for metered pieces in a combined mailing is deducted from the mailer's postage due advance deposit account. Full postage at single-piece First-Class Mail rates must be paid on accompanying single-piece rate mail using one of the methods under [E620](#) and [P100](#). Additional preparation to verify postage due may be required by the USPS.

**Precanceled Pieces—First-Class Mail**  
2.3 Pieces with precanceled stamps in a combined mailing must not weigh more than 1 ounce and must bear postage in any denomination of precanceled stamps permitted in a Presorted or automation rate mailing. Additional postage due for precanceled stamp pieces in a combined mailing is deducted from the mailer's postage due advance deposit account. Full postage at the single-piece First-Class Mail rate must be paid on accompanying single-piece rate mail using one of the methods under [P100](#). Additional preparation to verify postage due may be required by the USPS.

**Precanceled Pieces—Standard Mail**  
2.4 Pieces with precanceled stamps in a combined mailing must bear postage in any denomination of precanceled stamp permitted in an automation rate mailing. Nonprofit postage may appear only on pieces in a Nonprofit rate mailing that are eligible for and claimed at a Nonprofit rate. Additional postage due for precanceled stamp pieces in a combined mailing is deducted from the mailer's postage due advance deposit account. Full postage at single-piece First-Class Mail rates must be paid on accompanying single-piece rate mail using one of the methods under [E620](#) and [P100](#). Additional preparation to verify postage due may be required by the USPS.

**Permit Imprint Pieces—First-Class Mail and Standard Mail**  
2.5 Pieces in a combined mailing may bear the permit imprint of the mailer or the mailer's clients. Postage for the permit imprint part of a combined mailing must be paid by the permit imprint advance deposit account kept for combined mailings. Postage is deducted only from this account, regardless of the permit numbers or company permit imprints on pieces in a combined mailing. Full postage at

single-piece First-Class rates must be paid on accompanying single-piece rate mail using one of the methods under [P100](#) and, for Standard Mail, [E620](#). Additional preparation to verify postage due may be required by the USPS.

### 3.0 PRODUCING THE COMBINED MAILING

#### Mailer Quality Control

3.1

Before merging different pieces into a combined presorted mailing, the mailer must have quality control procedures to ensure that:

- a. Meter dates are correct.
- b. Meter impressions are legible.
- c. Permits and licenses are current at office of mailing.
- d. In First-Class mailings, full postage on 2-ounce and 3-ounce metered and precanceled stamped pieces is affixed for the ounces in addition to postage for the first ounce at a rate acceptable for inclusion in the mailing.
- e. In Standard Mail mailings, full postage is affixed at a rate acceptable for inclusion in the mailing.
- f. Barcodes meet all applicable standards.
- g. Mailings are prepared under the relevant standards.
- h. Source mailing information (on client, job, or segment) is entered accurately into the automated mailing system.
- i. When markings are applied by an MLOCR, they properly show the applicable identifier/rate code described in [3.2](#) that specifies the product month designator, MASS/FASTforward system identifier, the method of postage payment, and the rate of postage affixed for metered and precanceled stamp mail or other postage information for permit imprint mail. These markings must be linked by the computer system to the rate entered by the mailer when the pieces are run through the MLOCR.

#### Rate and Postage Marking

3.2

The following markings must be applied to each piece in the mailing when markings are applied by an MLOCR. These seven-character markings provide the automation rate marking information and additional information including the product month designator, MASS/FASTforward (FF) system identifier, manufacturer code, and rate marking information. The product month designator is the first character position and represents the product month of the USPS ZIP+4 Product installed with the system's lookup engine responsible for the ZIP+4 assignment. Each product month is designated by a character "A" through "L" (with "A" meaning January, "B" meaning February, etc.). The MASS/FF System Identifier is characters 2 through 4 and represents the certified system identifier responsible for the ZIP+4 assignment. There is a one-to-one relationship between the certified system serial number and the assigned identifier. The manufacturer code is the fifth character and is assigned at the manufacturer's discretion with one exception: the character "Z" is assigned when the mailpiece contains a delivery point barcode in the address block and the MLOCR does not perform a lookup but simply reproduces the address block barcode. The rate marking is represented in the last two characters according to the chart below. The applicable marking must appear on each mailpiece in one of the locations authorized under [M012](#).



## a. First-Class Mail:

| Rate Marking |       | Rate and Postage Category                 |
|--------------|-------|---|
| Letters      | Flats |   |
| P1           | F1    | Barcoded 1-ounce Permit Imprint           |
| P2           | F2    | Barcoded 2-ounce Permit Imprint           |
| P3           | F3    | Barcoded 3-ounce Permit Imprint           |
| P4           | F4    | Barcoded 4-ounce Permit Imprint           |
|              | F5    | Barcoded 5-ounce Permit Imprint           |
|              | F6    | Barcoded 6-ounce Permit Imprint           |
|              | F7    | Barcoded 7-ounce Permit Imprint           |
|              | F8    | Barcoded 8-ounce Permit Imprint           |
|              | F9    | Barcoded 9-ounce Permit Imprint           |
|              | F0    | Barcoded 10-ounce Permit Imprint          |
|              | FA    | Barcoded 11-ounce Permit Imprint          |
|              | FB    | Barcoded 12-ounce Permit Imprint          |
|              | FC    | Barcoded 13-ounce Permit Imprint          |
| M5           | MF    | Barcoded 5-Digit Meter Postage Affixed    |
| M3           | MT    | Barcoded 3-Digit Meter Postage Affixed    |
| MA           | MD    | Barcoded AADC Meter Postage Affixed       |
| MM           | MX    | Barcoded Mixed AADC Meter Postage Affixed |
| MP           | MP    | Presorted Meter Postage Affixed           |
| S1           |       | Precanceled \$0.15 Stamp Affixed (card)   |
| S3           |       | Precanceled \$0.23 Stamp Affixed          |
| S2           |       | Precanceled \$0.25 Stamp Affixed          |

## b. Standard Mail (letters only):

| Rate Marking | Rate and Postage Category  |
|--------------|--|
| PI           | Barcoded Regular Permit Imprint                                  |
| NI           | Barcoded Nonprofit Permit Imprint                                |
| M5           | Barcoded 5-Digit Meter Regular Postage Affixed <sup>1</sup>      |
| N5           | Barcoded 5-Digit Meter Nonprofit Postage Affixed <sup>1</sup>    |
| M3           | Barcoded 3-Digit Meter Regular Postage Affixed <sup>1</sup>      |
| N3           | Barcoded 3-Digit Meter Nonprofit Postage Affixed <sup>1</sup>    |
| MA           | Barcoded AADC Meter Regular Postage Affixed <sup>1</sup>         |
| NA           | Barcoded AADC Meter Nonprofit Postage Affixed <sup>1</sup>       |
| MM           | Barcoded Mixed AADC Meter Regular Postage Affixed <sup>1</sup>   |
| NM           | Barcoded Mixed AADC Meter Nonprofit Postage Affixed <sup>1</sup> |
| M8           | Presorted 3/5 Meter Regular Postage Affixed <sup>1</sup>         |
| N8           | Presorted 3/5 Meter Nonprofit Postage Affixed <sup>1</sup>       |
| M9           | Barcoded Basic Meter Regular Postage Affixed <sup>1</sup>        |
| N9           | Barcoded Basic Meter Nonprofit Postage Affixed <sup>1</sup>      |
| SR           | Precanceled Regular Rate Stamp Affixed                           |
| SN           | Precanceled Nonprofit Stamp Affixed                              |

1. The same code is used regardless of the destination entry rate, if any, for which the piece is metered.

**Merging Methods and Documentation**

3.3

During the initial count of each source mailing (i.e., the quantity of mail originated by each of the mailer's clients) by the mailer's automated mailing system, pieces must be grouped by payment method (and, within each for First-Class, by ounce increment). All pieces within each postage-affixed group must have the same amount of postage affixed (for First-Class, the same amount of postage must be affixed for the first ounce). The mailer must keep records of each source that was merged in the combined mailing to allow the USPS to identify each source, the number of pieces by postage payment method, and, within each, by ounce increment (for First-Class), or by amount of postage affixed (for Standard Mail). The mailer must keep these records (in the form of computer-generated printouts or computer media approved by Business Mailer Support) in a central location for 90 days after the mailing date of the combined mailing.

**Rejected Pieces**

3.4

Pieces rejected for any reason by the mailer's automated sorting system and pulled out of the combined mailing stream must be identified by the mailer, specifically accounted for in documentation, and:

- a. If postage-affixed, bear postage or have additional postage affixed to equal a rate no lower than the correct Presorted First-Class rate or 3/5 Presorted Standard Mail rate for letters, as applicable.
- b. If paid by permit imprint, separately presented to the USPS for verification of postage.

**4.0 DOCUMENTATION****Submission**

4.1

Mailers are required to submit or generate the following reports:

- a. For each First-Class Mail or Standard Mail combined mailing, the mailer must provide these materials:
  - (1) For each postage payment method, a complete and accurate postage statement endorsed "Combined Mailing" at the top.
  - (2) A separate Form(s) 3553.
  - (3) The USPS qualification report in standardized format detailing by ZIP Code the number of pieces qualifying for each rate by presort level. If plant-verified drop shipment (PVDS) is used for Standard Mail, a separate USPS qualification report must be generated for each entry destination.
  - (4) The USPS Summary ZIP Destination report in one of two standardized formats that lists by tray destination and rate category: each mail category, postage payment type, weight, and rate affixed (report all postage affixed First-Class Mail pieces as weighing one ounce); number of pieces; dollar amount of postage affixed to those pieces; cumulative postage affixed; total postage; net postage due; cumulative postage due; and a running total of the number of pieces. If plant-verified drop shipment (PVDS) is used for Standard Mail, a separate USPS Summary ZIP Destination report must be generated for each entry destination. This report is not required if there is only one metered rate in the mailing. BMS may authorize submission of only portions of this report.



- (5) The USPS Postage Summary in a standardized format. This report shows, by type of payment method, the total postage claimed for all pieces in the mailing by rate level and the total postage affixed by rate level. It also shows a grand total summary of postage affixed, postage claimed, and total postage due. If plant-verified drop shipment (PVDS) is used for Standard Mail, a separate USPS Postage Summary report must be generated for each entry destination.
- (6) Other documentation that may be required by other standards for the rate claimed.

- b. The USPS Customer Mail Report must be generated for each mailing but is required to be submitted to the USPS only when requested by USPS personnel for the resolution of errors (shortpaid and potential MLOCR profiling) detected in a specific mailing. The Customer Mail Report must list each customer by name and provide the following information about their mail: rate affixed, mail category including postage payment type, weight, total postage, postage affixed, number of pieces, cumulative number of pieces, number of pieces rejected, and total pieces fed.

**Permit Imprint**

4.2

To prepare the postage statement for permit imprint pieces, the mailer multiplies the number of such pieces qualifying for each rate level (and, for First-Class Mail, in each weight increment) (as documented by the mailer) by the corresponding rate. The result is the net postage due for the permit imprint part of the combined mailing. If the mailing contains nonidentical-weight permit imprint pieces, the postage statement must be so annotated.

**Postage Affixed**

4.3

In completing the separate postage statements for postage-affixed pieces:

- a. Multiply the number of pieces at each rate level (which, for First-Class Mail, are treated as weighing 1 ounce or less, regardless of actual weight) by the corresponding rate of postage. The product is the postage due before adjustments are made for the value of postage affixed to those pieces.
- b. Multiply the amount of postage (or, for First-Class Mail only, first ounce postage) affixed by the number of pieces at each amount, to determine the total postage already paid.
- c. Set the amount paid against the amount due to find the postage to be paid by or to the mailer for the postage-affixed pieces.

**Reporting Results**

4.4

Any additional postage due is paid through the mailer's advance deposit account for combined mailings. A "value added" refund of any overpayment of meter postage may be requested under [P014](#).

